

In short, the issue is simply not the executives at AIG. There is enough blame to go around, and we all have a part to play in changing the culture of our Nation.

Regardless of what happens in the short term, long-term economic and moral strength of our Nation depends on renewing one of our greatest American virtues, personal responsibility.

A BUDGET THAT SPENDS TOO MUCH, TAXES TOO MUCH, AND BORROWS TOO MUCH

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia (Mr. BROUN) is recognized for 5 minutes.

Mr. BROUN of Georgia. Mr. Speaker, I rise today because the American people are witnessing one of the greatest magic tricks of all time. The 2010 budget proposed by this administration and currently under consideration by this legislative body is worthy of being mentioned with the greatest illusions created by Houdini himself.

This budget proposal is on one hand being held out as addressing the challenges of our Nation while taking steps to reduce the deficit. This one hand being shown to the American people reveals the ideas of reducing entitlement spending, partially fixing the AMT, and creating an emergency reserve fund. And while the magician waves his hand and distracts the American people, the other hand is out of public view, and this is where the trick is being played. This other hand contains the real instruments of this budget: More Federal spending on more Federal programs; more taxes on all American families and small businesses; and a Federal deficit higher than in the past 4 years combined.

Simply put, Mr. Speaker, the end result of this magic trick is a budget that spends too much, taxes too much, and borrows too much. This budget proposal increases spending to \$3.9 trillion, nearly one-third of the gross domestic product, a rate not seen in this country since World War II.

To put this into perspective, under this budget nearly \$1 out of \$3 in the entire American economy will be a result of Federal government spending. And what does this huge increase in government spending go towards?

Approximately \$1 trillion will be spent on an increase in entitlement spending over the next decade. More than \$600 billion will be spent on government-run health care, socialized medicine. And, more than \$1.1 trillion will be spent on more discretionary spending, that is, optional spending, with several government agencies receiving budget increases of more than 30 percent.

Now, where does this great magician get the money to pay for all this increased government spending and programs? By picking the pockets of the American public.

Here, again, the great illusionist holds out one hand and claims they

will only increase taxes on the rich while giving tax cuts to the other 95 percent of all of us American taxpayers. However, once again, the other hand is hidden away, and this is where the trick happens. The real result of the tax trick in this budget is more taxes on America's small businesses.

Mr. Speaker, I ask you, in these tough economic times, with rising unemployment, is a tax increase on small businesses, the engine that drives our economy, really the best course to take? How about resurrecting the death tax, which this budget does. Is that an appropriate course of action? I think not. I ask, what does an increase in capital gains taxes while cutting the tax deduction for the interest paid on mortgages do to stimulate our economy?

And I am sure that the 95 percent of Americans who are expecting a promised tax cut will find that money useful when it comes time to pay their share of the new \$646 billion cap-and-trade—so-called cap-and-trade, I call it cap-and-tax—energy tax that will result in higher costs on electricity, natural gas, home heating, gasoline, and all goods and services in America.

Just looking at my home State alone, with this new energy tax Georgians will see their disposable income reduced by \$941; and the State is projected to lose up to 62,000 jobs by 2020. Even Houdini can't hide these numbers.

Now, Mr. Speaker, just when the American people think they have seen the finale of this magic trick, they are then surprised with an ending twist. This is a magic twist that will be replayed for their children and grandchildren.

By their own estimates, the current deficit would decrease by half if this administration did nothing and we kept spending constant. We cannot continue this magic trick. We must stop this irresponsible budget that is being proposed by the administration.

OUR CURRENT ECONOMIC CRISIS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Ms. KAPTUR) is recognized for 5 minutes.

Ms. KAPTUR. I thank the Speaker very much for that, and wish to say that I recently entered into the CONGRESSIONAL RECORD an account of some of the key legislative history and executive actions that have led our Nation into our current economic crisis, a meltdown of people's accumulated savings, a loss of value in their homes and pensions, a 26-year high in unemployment, and major damage to our financial institutions and their ability to lend.

One of the individuals I talked about was the woman who headed the Commodity Futures Trading Commission back in 1998, in the late 1990s, and her name was Brooksley Born. She was an esteemed attorney, and she knew the

field of regulation well. She said we had to regulate derivatives and, if we didn't, we would get in trouble. She was prescient and she was right.

Three of the men that ultimately caused her resignation were pictured on the front of Time Magazine about a year later: Alan Greenspan who then headed the Federal Reserve, Robert Rubin who chaired Citigroup, and Larry Summers who was then Secretary of Treasury.

You know, it is good to remember history so you are not doomed to repeat it. The unemployment figures just announced nationally and for my home State of Ohio reveal the grim situation: The State unemployment rate is marching toward double digits, the city of Toledo is facing a massive deficit that grows with each passing day, and around our district families, businesses, and local governments are struggling to make ends meet.

Let me offer a seven-step restoration program to put our economy back on track.

First of all, we ought to bring the "too big to fail" institutions back under control for the sake of the American people. They should never have been allowed to get so big that the failure of a Citigroup that this man used to head or an AIG insurance company, which is much more than an insurance company, or Lehman Brothers could threaten the entire global financial system. These raging beasts have got to be brought back under control; and, last week Federal Reserve Chairman Bernanke said, "The 'too big to fail' issue has emerged as an enormous problem both for policymakers and financial institutions generally." He is right. Job number one should be bringing the big institutions back under control and, in my opinion, breaking them up.

Number two, we should restore the goal of financial security; that is, people should have more equity and less debt, and it needs to be restored at all levels, from our kitchen tables to the government of the United States. Read chapters 8 and 9 of Kevin Phillips' book, *American Theocracy*. Treat yourself to a real understanding of how we have gotten ourselves into the situation we face today. Form a book club. Think about it.

Number three, we need to restore our national ethic that values savings over debt both in our households and in our government. Our government should set a national standard for prudent and responsible financial behavior for our citizenry and institutions. The fact that JP Morgan could take a dollar of home equity and leverage it 100 times beyond the value of the underlying asset goes well beyond the realm of reason.

Number four, we need to restore the word "banking," "prudent banking" to our vocabulary, and excise the word "financial services." And we ought to start right here in the House of Representatives by renaming the committee of jurisdiction what it used to